Overdrafts by States

†3786. SHRI BANWARI LAL KANCHHAL: Will the Minister of FINANCE be pleased to state:

(a) whether many States are facing the problem of over draft, at present; and

(b) if so, the details of amount of overdrafts by each State, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir. As on 23rd April, 2008, no State is on overdraft.

(b) Does not arise.

Guidelines regarding deposit and lending for Banks

3787. SHRI RAMACHANDRA KHUNTIA: Will the Minister of FINANCE be pleased to state:

(a) whether there is any guideline of Reserve Bank of India for banks regarding deposit and lending;

(b) if so, whether banks are implementing it;

(c) whether it is a fact that SBI, UCO Bank and Andhra Banks lending in Orissa is much less in comparison to the deposit; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) Yes, Sir. Public Sector Banks were advised by Reserve Bank of India (RBI) to achieve a Credit Deposit (CD) ratio of 60% in respect of their rural and semi-urban branches, separately, on an all India basis and to ensure that wide disparity in the ratios between different States/Regions is avoided in order to minimize regional imbalances in credit deployment.

To ensure implementation of this guideline, RBI had advised the Convenor Banks, of the States to monitor the CD ratio in the State Level Bankers' Committee (SLBC) meetings and identify measures for enhancing the CD ratio. RBI had also advised the banks to set up Special Sub Committees (SSCs) of the District Level Consultative Committees in districts having CD ratio of less than 40% in order to monitor the CD ratio and draw up Monitorable Action Plans (MAPs) to increase the CD ratio.

However, CD ratio to a large extend depends upon a number of factors such as the credit absorption capacity of a State, availability of adequate infrastructure facilities, development of core sector projects, large and medium industries entrepreneurial initiatives, conducive atmosphere for investment, satisfactory recovery position of bank dues, initiatives taken by the State Government to create a climate conducive to the enhancement of flow of credit in the State etc.

As reported by RBI, the CD Ratio of Orissa during the years ending 31st March, 2005, 2006 & 2007 was 62.2%, 65.2% and 64% respectively.

† Original notice of the question was received in Hindi.